

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re:) Case No. 15-04033
)
Hampton Hill Athletic Club, Inc.) Chapter 11
)
Debtor-in-Possession.)
)

EMERGENCY MOTION FOR INTERIM USE OF CASH COLLATERAL
AND MEMORANDUM IN SUPPORT

The above referenced Debtor-in-Possession (“Debtor”), by and through its undersigned proposed attorney, hereby files this Emergency Motion to Use Cash Collateral. In support of this motion, the Debtor respectfully submits as follows:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and Local Civil Rule 83.1X.01, D.S.C. This motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).
2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief requested herein are §§ 105(a), 361, 363(c), 503 and 507 of title 11 of the United States Code, 11 U.S.C. §§101-1532 (the “Bankruptcy Code”), Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure and Rule 4001-4 of the Local Rules for the United States Bankruptcy Court for the District of South Carolina.

PROCEDURAL HISTORY

4. On July 30, 2015, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing the above-captioned bankruptcy case.

5. Since the petition date, the Debtor has continued to operate as Debtor-In-Possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in the Chapter 11 case, and no official committee has been appointed or designated.
6. Business Development Corporation of South Carolina filed a UCC Financing Statement on or around April 30, 2012 asserting a lien on cash collateral, **Exhibit A**.
7. Celtic Bank Corporation, filed its UCC Financing Statements, one on or about November 5, 2013, asserting an interest in cash collateral, **Exhibit B**.
8. Debtor does not believe any other creditor has an interest in cash collateral.
9. Debtor needs to continue paying regular monthly operating expenses in order to continue operating the business.

RELIEF REQUESTED

10. Debtor seeks the entry of an order for authority to use cash collateral.
11. Debtor will use such funds to operate its business, which includes paying its operational expenses and making essential payments in the administration of the Chapter 11 case all in the ordinary course of business. Should it be necessary to continue operating, this money may be used to pay secured creditors or essential trade creditors once designated as such.
12. Debtor has incorporated a short term interim budget here, as **Exhibit C**, to itemize the necessary expenses.
13. The Debtor is without adequate funds to pay creditors without access to the cash collateral with which to operate.
14. The Debtor's failure to timely pay such items would result in immediate and

irreparable harm to its estate insofar as Debtor's failure to meet these day to day business obligations would lead to irreparable damages to its business relationships and its financial security in the future.

15. Using cash collateral is in the best interest of creditors both secured and unsecured. If the business continues to operate, the Debtor will be in a position to maximize the return to creditors, more so than if the case is dismissed or converted, which would be the most likely outcome if the Debtor is unable to use the cash collateral.
16. The Debtor's request for interim authorization to use cash collateral that is necessary to avoid immediate and irreparable harm to its estate during the Interim Period, demonstrates that its request complies with Bankruptcy Rule 4001(b)(2)

LAW

17. The Bankruptcy Code in §363 provides in relevant part:
 - (b)(1) The Trustee, after notice and a hearing may use, sell or lease , other than in the ordinary course of business, property of the estate.
 - (c)(1) If the business of the debtor is authorized to be operated under section 721, 1108, 1203, 1204 or 1304 of this title and unless the court orders otherwise, the Trustee may enter into transactions including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.
 - (2) The Trustee may not use, sell or lease cash collateral under paragraph (1) of this subsection unless –
 - (A)Each entity that has an interest in such cash collateral consents; or
 - (B) The court, after notice and a hearing, authorizes such use, sale or lease in accordance with the provisions of this section.

18. Debtor requires access to its cash and proceeds of existing accounts receivable and existing cash collateral to operate in the ordinary course of business and to maintain the estate.
19. Debtor further discloses the principal of the Debtor, Anne Wright and her husband Ricky Wright are employees of the Debtor. The budget proposes to pay each of them \$1,500. They are actively involved in the day-to-day business operations.

WHEREFORE, Debtor requests the entry of an order granting use of its cash collateral for the operation of its normal business operations, including payment to necessary suppliers and vendors, payroll to its employees and for such further relief as is necessary.

MOORE TAYLOR LAW FIRM, P.A.

By: /s/ Jane H. Downey
Jane H. Downey, ID 5242
Post Office Box 5709
1700 Sunset Boulevard
West Columbia, SC 29171
(803) 796-9160

Proposed Attorney for Debtor-in-Possession

July 30, 2015

Exhibit A

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

Audrey Earle

8037720965

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Sherwood M. Cleveland, PC
Post Office Box 21215

Columbia, SC 29221

SC SECRETARY OF STATE	Lapse Date:	Date:	Page Count:	Debtor Count:	Filing Fees:	Electronic Records Access:	Total:	Order ID#
120430-1406233 S	04/30/2017	4/30/2012	2 Pg	1	\$8.00	\$8.00	\$16.00	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Hampton Hill Athletic Club, Inc.	1b. INDIVIDUAL'S LASTNAME	FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 5910 Garners Ferry Road		CITY Columbia	STATE SC POSTAL CODE 29205	COUNTRY US
1d. TAX ID# (Organizations) DO NOT USE	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION CORP	1f. JURISDICTION OF ORGANIZATION SC	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2d. TAX ID# (Organizations) DO NOT USE	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME Business Development Corporation of South Carolina	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS Post Office Box 21823		CITY Columbia	STATE SC POSTAL CODE 29221	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

All furniture, fixtures, equipment and machinery, including power driven equipment and machinery, now owned or hereafter acquired, wherever located, together with all replacements thereof, all attachments, accessories, parts and tools belonging thereto or for use in connection therewith. All inventory, accounts, accounts receivables, contract rights, chattel paper and general intangibles now in force or hereafter acquired including, without limitation, Debtor's rights as lessee under and pursuant to the following equipment lease agreements: (1) Lease between Pentech Financial Services, Inc. as lessor and Debtor covering the equipment as itemized in Lease No. 44063 and (2) Lease between MacroLease Corporation as lessor and Debtor covering the equipment as itemized in Lease No. 21624.

5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum if applicable. 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) NOT USED

8. OPTIONAL FILER REFERENCE DATA

Sherwood M. Cleveland, PC, PO Box 21215, Columbia, SC 29221

Exhibit B

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

efiling@wolterskluwer.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions

P.O. Box 29071

Glendale, CA 91209-9071

SC SECRETARY OF STATE	S
131106-1239194	
Lapse Date:	11/06/2018
Date:	11/6/2013
Time:	12:39 PM
Page Count:	1 Pg
Debtor Count:	1
Filing Fees:	\$8.00
Electronic Records Access:	\$8.00
Total:	\$16.00

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
Hampton Hill Athlectic Club Inc

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
5910 Garners Ferry Road	CITY Columbia	STATE SC	POSTAL CODE 29209	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S SURNAME

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
Celtic Bank Corporation

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
268 S. State St., Ste 300	CITY Salt Lake City	STATE UT	POSTAL CODE 84111	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

This refers to SBA Loan 64364750-01: All Equipment, Trade Fixture, Inventory, Instruments, Accounts, Chattel Paper, General Intangibles; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds.)

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative6a. Check only if applicable and check only one box:6b. Check only if applicable and check only one box: Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility Agricultural Lien Non-UCC Filing7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

SC-0-40545077-47928435

Exhibit C

SHORT TERM BUDGET

Income	Amount	Basis
Gross Income Revenue	\$ 77,499.00	Income is based on January-May 2015 average of \$111,943/ month prorated to \$25,833 weekly and estimated for 3 weeks
Vendor/Payment Type	Amount	Use
Payroll	\$ 27,800.00	Pay to Employees
Wiseheart Trust	\$ 14,679.34	Rent
City of Columbia	\$ 993.42	water
Blue Cross Blue Shield	\$ 1,347.87	Employee insurance
Best Life	\$ 105.23	Employee insurance-dental
SCE&G	\$ 5,847.54	power
TOTAL EXPENSES	\$ 50,773.40	

ESTIMATED PAYROLL

Lisa	Austin	\$ 45	Susan	Waites	\$ 5
Deborah	Boyer	\$ 825	Nicole	Wilson	\$ 190
Karen	Campbell	\$ 24	Audrey	Duffie	\$ 57
Fulton	Campbell	\$ 67	Caroline	George	\$ 382
Andrea	Lanham	\$ 117	Mary	George	\$ 34
kimberly	Shumaker	\$ 344	Chandler	Grant	\$ 107
Susan	Switzer	\$ 932	Rachel	Halyak	\$ 60
Emily	Bollinger	\$ 185	Dorothy	Hartin	\$ 186
Jesse	Bradshaw	\$ 328	Mindy	Isaacs	\$ 41
Rebekah	Gele	\$ 1,387	Katherine	Kendall	\$ 118
Daija	Griffen	\$ 167	Elizabeth	Mills	\$ 195
Madeleine	Harmer	\$ 86	Tiffany	Neff	\$ 113
Rebecca	Ross	\$ 275	Beverly	Watkins	\$ 463
Laura	Zessinger	\$ 201	Christopher	Carnes	\$ 1,813
Kasey	Moody	\$ 1,867	Kayla	Driggers	\$ 559
Anne	Wright	\$ 1,500	Rebekah	Harris	\$ 943
Ricky	Wright	\$ 1,500	Jaqueline	Lambert	\$ 479
Jane	Dillard	\$ 144	Felicia	Lee	\$ 884
Caroline	Bennett	\$ 14	Janet	Leski	\$ 47

Jordyn	Braff	\$ 308	Cristie	McConnell	\$ 977
Anthony	Bush	\$ 39	Norma	McDonald	\$ 355
Yolanda	Courie	\$ 72	Kaci	Muthig	\$ 808
Patrick	Dennis	\$ 45	Teresa	Ouzts	\$ 980
Lisa	Dye	\$ 1,087	Ashley	Reese	\$ 714
Jessica	Eadon	\$ 358	Stacey	Rippy	\$ 79
Mindy	Fenske	\$ 15	Beverly	Smith	\$ 2,180
Jodie	Harris	\$ 78	James	Smith	\$ 992
Alicia	Higgins	\$ 26	Logan	White	\$ 42
Lillian	Hill	\$ 37			\$ 13,800
Catherine	Hoffman	\$ 52		TOTAL PAYROLL	\$ 27,152
Christine	Koutrakos	\$ 13			
Kristie	Krause	\$ 75			
Jessica	Letton	\$ 27			
Jodi	Mann	\$ 149			
Mandy	McCabe	\$ 38			
Ashleigh	Rivers	\$ 65			
Laura	Robinson	\$ 15			
Timothy	Sharper	\$ 66			
Kelly	Smith	\$ 105			
Deborah	Sonefeld	\$ 39			
Heather	Stokes	\$ 22			
Carolyn	Stricklin	\$ 306			
Christine	Tyler	\$ 308			
		\$ 13,352			